1942 **File No.** 6129/36

P.W. DEPARTMENT

B CLASS — m. BRANCH

Subject:— Interest maintenance charges
Revision of rate of - Charged by
Railway Administrations to govt.
Depttts.

B(K) 1942

File No. 6/29/36

Std. Sectt. Slip 21-A

Std. Sectt. 78A e.

G R., G D., No 2408, dated 22-5-22.]

Correspondence

DOCKET SHEET (B)

Subject :—

File No. 6/29/36

P. W. DEPT.

BRANCH.

References :—

Date.	To whom sent.	Notes and instructions.

GOVERNMENT OF INDIA.
RAILWAY DEPARTMENT.
(RAILWAY BOARD).

No. 3132-W.
New Delhi, Dated 25th July, 42.

To

The General Managers,
(1) North Western,
(2) Great Indian Peninsula,
(3) East Indian,
(4) Bengal and Assam and
(5) Bombay, Baroda and Central India Railways.

Revision of the rates for interest and maintenance charged by Railway Administrations to Government Department for electric installations in buildings provided for them out of railway funds.

Reference this office letter No.3132-W dated 15/16th January 1940 and para 1(v) of this office letter No.932-W dated 10th October 1936, (vide also para 1946(v) of the State Railway Engineering Code). The Railway Board have now reviewed the question of the rates to be charged for electric installations in buildings provided for other departments of Government out of railway funds, and have decided that the following rules should be adopted in supersession of previous orders:-

(i) The rate of interest to be charged, will, as in the case of buildings, be the rate prescribed from time to time by the Railway Board.
The rate to be adopted for a particular installation will be the rate in force on the date when the installation was completed.

(ii) a uniform rate of 8% will be adopted to cover both maintenance and depreciation. This rate should be calculated on the capital cost of the installation, which for the purpose of calculating both interest and maintenance, will include the usual Departmental charges for supervision and storage.

(iii) The installations will be replaced or renewed out of railway.....

railway funds when the occasion arises, but the charges for interest and maintenance after such replacements or renewals will be recalculated on the book values of the new installations, the original transaction in each case being considered as having been finally closed on the assumption that the Railway Administration has recovered the whole of the capital cost of the original installation through the provision for depreciation included in the rate prescribed in sub. (ii) above.

2. These orders will have effect from 1st April 1942.

3. As the rate of 8% is intended to cover both maintenance and depreciation, the charges for current should not include any element to cover maintenance or depreciation charges of these installations.

Sd/-

DA:- Nil. DIRECTOR, RAILWAY BOARD.

....

No.3132-W, dated 25th July, 1942.

Copy forwarded for information to:-

The Agents and General Managers,

B.N., B. & N.W., M. & S.M., S.I., and R.&K. Railways.

The Managers,

Bikaner State and Jodhpur Railways.

The General Managers,

H.E.H. The Nizam's State and the Mysore State Railways and all Class II & III Railways,

with the request that the procedure laid down may be adopted.

Sd/-

DIRECTOR, RAILWAY BOARD.

SBS.

No.3132-W, dated 25th July,1942.

Copy forwarded to the Director of Railway Audit (with 70 spare copies).

Sd/-

for FINANCIAL COMMISSIONER, RAILWAYS.

No.3132-W, dated 25th July,1942.

Copy forwarded for information to:-

(1) The Defence Department.
(2) The Finance Department.
(3) The Home Department.
(4) The Communications Department.
(5) The Labour Department and
(6) Director General of Posts and Telegraphs.

Sd/-

DIRECTOR, RAILWAY BOARD.

Id/-
4-8-42.

.....

No.3132-W, New Delhi, dated 25th July,1942.

Copy forwarded to the Provincial Governments and Administrations noted below for information with the remark that the rate of interest referred to in para 1(i) of the letter is the borrowing rate of the Government of India as fixed from time to time:-

The Secretary to the Government of Madras, Public Works and Labour Department.

The Secretary to the Government of Bombay, Public Works Department.

The Secretary to the Government of Bengal, Railway Department

The Secretary to the Government of the United Provinces, Public Works Department.

The.....

The Secretary to the Government of Punjab, Public Works Department, Buildings and Roads Branch.

The Secretary to the Government of Bihar, Public Works Department.

The Secretary to the Government of Assam, Public Works Department.

The Secretary to the Government of the Central Provinces, Public Works Department.

The Secretary to the Government of Orissa, Public Works Department.

The Secretary to the Government of Sind, Finance Department.

The Secretary to the Government of the North-West Frontier Province.

The Resident for Baroda and the Gujarat States.

The Hon'ble the Resident at Hydrabad.

The Resident in Kashmir.

The Resident at Gwalior.

The Hon'ble the Resident for Mysore and Coorg.

The Hon'ble the Resident for Rajputana.

The Hon'ble the Resident for Central India.

The Hon'ble the Resident for British Baluchistan.

The Hon'ble the Resident for the States of Western India.

The Hon'ble the Resident for the Punjab States.

The Resident for the Madras States.

The Resident for Kolhapur and the Deccan States.

The Resident for Eastern States.

The Chief Commissioner, Delhi.

By order,

Sd/-

DIRECTOR, RAILWAY BOARD.

SBS.

Copy of Railway Boards letter No. 3132-W, dated the 15/16th January 1940 to all Class I Railways.

Revision of rate of interest and maintenance charged by Railway Administrations for electrical installations in Railway buildings provided for Government Departments.

I am directed to invite a reference to para. 1(v) of this office circular letter No.932-W, dated 10th October 1936 and para. 1946 E Code, 1938, which provide that electrical installations will continue to be treated independently and that the existing rate for maintenance, etc., will remain unchanged for the time being. It has since been represented by some of the Railways that the existing rate of 5% for maintenance of electrical installations does not include a charge for depreciation. While the intention is that the rate of interest on capital expenditure on electrical installations should be as laid down in Railway Board's letter No. 932-W, dated 10th October 1936 and subsequent letters on the subject, the Railway Board are of opinion that the rate of maintenance should be raised to 8% in order to cover depreciation also and that the charges for storage and supervision should also be included in the capital cost of the electrical installations for the purpose of calculating the percentages in question. Before finally revising the rate the Railway Board will be glad to be informed whether the proposed rate of 8% is considered to be adequate. I am further to enquire whether the same rates for interest and maintenance, etc., should also be applied in the case of electrical installations at junction stations.

GOVERNMENT OF INDIA.

GOVERNMENT OF INDIA.
RAILWAY DEPARTMENT.
(AILWAY BOARD).

No.3132-W.
New Delhi, Dated 25th July, 42/

To

The General Managers
(1) North Western,
(2) Great Indian Peninsula,
(3) East Indian,
(4) Bengal and Assam and
(5) Bombay, Baroda and Central India Railways.

Revision of the rates for interest and maintenance charged by Railway Administrations to Government Departments for electric installations in buildings provided for them out of Railway funds.

Reference this office letter No.3132-W dated 15/16th January 1940 and para 1(v) of this office letter No.932-W dated 10th October 1936, (vide also para 1946(v) of the State Railway Engineering Code). The Railway Board have now reviewed the question of the rates to be charged for electric installations in buildings provided for other departments of Government out of railway funds, and have decided that the following rules should be adopted in supersession of previous orders:-

(i) the rate of interest to be charged, will, as in the case of buildings, be the rate prescribed from time to time by the Railway Board. the rate to be adopted for a particular installation will be the rate in force on the date when the installation was completed.

(ii) a uniform rate of 8% will be adopted to cover both maintenance and depreciation. This rate should be ~~xxxx~~ calculated on the capital cost of the installation, which for the purpose of calculating both interest and maintenance, will include the usual Departmental charges for supervision and storage.

(iii) The installations will be replaced or renewed out of railway funds when the occasion arises, but the charges for interest and maintenance after such replacements or renewals will be recalculated on the book values of the new installations, the original transaction in each case being considered as having been finally closed on the assumption that the Railway Administration has recovered the whole of the capital cost of the original installation through the provision for depreciation included in the rate prescribed in sub. para. (ii) above.

2. These orders will have effect from 1st April 1942.

3. As the rate of 8% is intended to cover both maintenance and depreciation, the charges for current should not include any % element to cover maintenance or depreciation charges of these installations.

Sd/-H.L. Swain.
DIRECTOR, RAILWAY BOARD.

No.2132-W, New Delhi, dated 25th July, 1942.

Copy forwarded to the Provincial Governments and Administrations noted below for information with remark that the rate of interest referred to in para 1(i) of the letter is the borrowing rate of the Government of India as fixed from time to time:-

The Secretary to the Government of Bombay,
Public Works Department.

By order
Sd/- H.L. Swain.
Director, Railway Board.

------ 0 ---------

No.6129/36-Ry.
Public Works Department,
Bombay Castle, 17th September 1942.

Copies forwarded to -

the Finance Department,

the Finance Department,

the Home Department,

the Revenue Department,

The Central Department,

the Secretary, Bombay Port Trust/-

the Inspector General of Police, Bombay Province,

the Deputy Inspector General of Police,
Northern Range,

The Deputy Inspector General of Police,
Southern Range,

the Superintendent of Police, G.I.P.
and M. & S.M. Railways.

the Superintendent of Police, B.B. & C.I.,
Railway,

with reference to Government endorsement No.8527/27-Ry.,
dated 20th ~~Ninth~~ February 1937.

By order of the Governor of Bombay,

Sd/-
19-9- O.C.

Deputy Secretary to the Government
of Bombay, Public Works Department.

SBS.